



Office of the Inspector General

David R. Shaw, Inspector General

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The California Department of Corrections and Rehabilitation Erroneously Paid \$1.3 Million in Unemployment Insurance Benefits to Fired Employees

SACRAMENTO— Inspector General David R. Shaw released a report today disclosing that the California Department of Corrections and Rehabilitation (CDCR) inappropriately paid unemployment insurance (UI) benefits to former employees who were terminated under adverse circumstances. The investigation found that in fiscal years 2006-07 and 2007-08, CDCR paid \$1.3 million in unemployment insurance benefits for the terminated employees.

Employees that have been fired for cause are not entitled to UI benefits. The investigation found that CDCR's lack of internal procedures to effectively process unemployment insurance forms and poor communication between the CDCR and the Employment Development Department (EDD) contributed significantly to these employees receiving UI benefits.

"Unemployment insurance benefits should be available for employees who have lost their jobs due to no fault of their own, not for employees terminated by CDCR for misconduct," said Inspector General Shaw. "In these times of high unemployment it is even more critical that UI benefits go to those employees who rightfully deserve them. Unfortunately, the CDCR often failed to respond to EDD or provide them with the facts concerning the misconduct, which then resulted in EDD granting UI benefits to those employees."

The investigation found that of the 1,045 employees terminated for cause during the two-year period, 186 employees (18%) received UI benefits.

The entire special report may be viewed and downloaded from the Office of the Inspector General's Web site at <http://www.oig.ca.gov/>.

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